



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

**ENVIRONMENT COMMITTEE
Public Hearing Testimony
February 27, 2023**

**To: Chairpersons Lopes and Gresko, Ranking Members Harding and Callahan,
distinguished Members of the Environment Committee**

From: Jim Perras, HBRA-CT CEO

**Re: S.B. No. 979: AN ACT PROMOTING ENERGY AFFORDABILITY, ENERGY
EFFICIENCY AND GREEN CITIES (OPPOSE)**

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with nearly 900 hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses is comprised of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

The HBRA-CT respectfully requests that the Environment Committee reject S.B. 979 or alternatively amended it to strike Sections 2 and 4 in their entirety from the bill. The HBRA-CT appreciates the intent of the bill to build more resilient communities and work towards existing carbon reduction goals. However, as written, S.B. 979 will negatively impact housing production and exacerbate the growing housing accessibility crisis Connecticut is currently facing, disproportionately impacting our most vulnerable populations.

REJECT SECTION 4: HARMFUL STRETCH CODES

Our statutes do not currently allow a municipality to adopt codes that differ from those found in the State Building Code. And for good reason, since 1971, Connecticut has had a uniform statewide building code that has brought constantly improving codes and predictability to our code process. As a result, multifamily construction has never been more resilient nor energy efficient than units built to today's code. In fact, units built to today's code can be 80% more energy efficient than the average resale unit.

The current process of adopting codes in Connecticut works extremely well and Connecticut statutes already explicitly require our code making body, the Codes and Standards Committee, take energy efficiency and resiliency under consideration when adopting our codes. The Codes and Standards Committee is a diverse group of professionals appointed by the Commissioner of the Department of Administrative Services. All of which are codes experts with at least 10 years of practical professional experience within their respective

fields. These code experts include energy efficiency experts, architects, engineers, commercial and residential builders, building officials, local fire marshals, building trade unions, public health officials, ADA experts and plumbing and heating professionals. As such, circumventing the existing code process should be discouraged.

Stretch codes will make it harder to build multifamily housing affordably in towns where they are adopted. Many have stated that CHFA already requires an adherence to a higher code standard and therefore affordable housing will not be impacted. But that is only partially accurate. **Many multifamily developers do not use CHFA financing. Those private sector developers that do not use CHFA funding will be discourage from bringing more dense and diverse housing to those towns that chose to implement these new regulations.**

It is a legitimate concern that wealthier communities in Connecticut will adopt these codes with the intention of circumventing their affordable housing responsibilities under the guise of embracing energy efficiency. To allow this to happen would be in direct conflict with recent overtures by state leaders who have said the expansion of diverse housing, especially in communities that heretofore have been reluctant to do their part would be a priority moving forward. There are better ways to encourage increased energy efficiency. Real gains could be made by further incentivizing the retrofitting and remodeling of existing units which, as mentioned earlier, can be 80% less energy efficient as units built to current code standards. In addition, the state could provide modest tax incentives to property owners that seek to retrofit existing properties. This approach would shift consumer habits, thereby increasing demand and incentivizing the market to produce more energy efficient units. In the end, a modest state tax credit for developers of new energy efficient units would more than pay for itself in the economic activity it would create and the new property, sales, and income taxes it would generate. Tax incentives would complement the myriad of incentive programs already being used today (like those offered by EnergizeCT) that encourage multifamily builders/developers to build 20 to 30% above existing code.

New construction is already incredibly efficient and resilient and can be up to twice as energy efficient as older homes. In addition, the recent adoption of the newest State Building Code based on the 2021 IECC codes has raised the bar once again. As early adopters of the IECC code, Connecticut is building some of the most efficient and resilient homes in the Country. Many experts suggest it will be exceedingly difficult to improve upon these new codes in and any substantial way while offering a reasonable return on investment. This committee's efforts would be better directed at developing and funding programs to identify and update older existing units most in need of weatherization and retrofits to make real and meaningful reductions in carbon emissions.

New research shows regulations account for 40.6 percent of apartment development costs.¹ It is fair to assume that percentage is likely higher than the national average in Connecticut. And a study published by the Joint Center for Housing Studies at Harvard University states, "The lack of new, more affordable rentals is in part a consequence of sharply rising construction

¹ <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2022/special-study-regulation-40-percent-of-the-cost-of-multifamily-development-june-2022.pdf>

costs, including labor and materials.”² Buildable lots are exceedingly more expensive and while pandemic related supply chain issues have reduced, they are still a factor. All these contributing factors have resulted in Connecticut having the second lowest housing production statistics in the country (second only to Illinois).³

REJECT SECTION 2: ILL DEVISED HOME LABELING MANDATE

Lastly, the HBRA-CT also asks the Committee to reject the Home Energy Label provisions found in Section 2 of this bill, as costs associated with this new proposed mandate would likely be passed on to tenants. In addition, labeling would not necessarily be an accurate reflection of the efficiency of a given unit, rather it would simply reflect the consumption habits of the previous tenants. For example, the energy consumption of a single parent with one 5-year-old child in a 2-bedroom unit is likely to be very different when compared to the same unit populated with two adults and two teenagers.

In the end, this Committee would better serve Connecticut residents, businesses, economy, and environment by exploring more solutions that encourage and incentivize responsible growth and socioeconomic diversity in all Connecticut cities and towns. **Thank you, for the opportunity to provide testimony in opposition of SB 979.**

² <https://www.jchs.harvard.edu/research-areas/rental-housing>

³ https://westfaironline.com/exclusives/where-the-new-homes-are-not-new-york-and-connecticut/?mc_cid=5447d8f933&mc_eid=c73587af69